

**SENATE RULE 11.11 SUSPENDED**

On motion of Senator Parker and by unanimous consent, Senate Rule 11.11 was suspended in order that the Select Committee on Public Education might meet today at 1:30 p.m.

**SENATE RULE 11.11 SUSPENDED**

On motion of Senator Sims and by unanimous consent, Senate Rule 11.11 was suspended in order that the Committee on Administration might consider today upon adjournment the following resolutions:

**S.R. 3**

**S.R. 6**

**MEMORIAL RESOLUTIONS**

**S.R. 2** - By Johnson: In memory of Gene E. Vance of Dallas.

**S.R. 4** - By Barrientos: In memory of Jesse O. Ledesma of Austin.

**CONGRATULATORY RESOLUTION**

**S.R. 5** - By Uribe: Recognizing the week of April 23-27 as "Public Crimes Victims Week in Cameron County."

**ADJOURNMENT**

On motion of Senator Brooks, the Senate at 12:16 p.m. adjourned until 10:00 a.m. tomorrow.

**SECOND DAY**

(Tuesday, April 3, 1990)

The Senate met at 10:00 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Armbrister, Barrientos, Bivins, Brooks, Brown, Caperton, Carriker, Dickson, Edwards, Ellis, Glasgow, Green, Haley, Harris, Henderson, Johnson, Krier, Leedom, Lyon, McFarland, Montford, Parker, Ratliff, Santiesteban, Sims, Tejeda, Truan, Uribe, Whitmire, Zaffirini.

Absent-excused: Parmer.

A quorum was announced present.

Senate Doorkeeper Jim Morris offered the invocation as follows:

Eternal Father, be our unseen companion this day and as the work begins, may each member bring to the conference table determination and confidence commensurate with the task before them. Remind us that barriers become bridges when approached with an attitude of optimism and a spirit of accomplishment. To these that serve here today provide that added strength that only You can bring to their being. In Your name. Amen.

On motion of Senator Brooks and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

**LEAVE OF ABSENCE**

Senator Parmer was granted leave of absence for today on account of important business on motion of Senator Brooks.

**REPORTS OF STANDING COMMITTEES**

Senator Sims submitted the following report for the Committee on Administration:

**S.R. 3**

**S.R. 6**

Senator Parker submitted the following report for the Select Committee on Public Education:

**S.B. 1**

**MESSAGE FROM THE HOUSE**

House Chamber  
April 3, 1990

HONORABLE W. P. HOBBY  
PRESIDENT OF THE SENATE

SIR: I am directed by the House to inform the Senate that the House has passed the following:

**H.C.R. 10**, Honoring Theo Wickersham.

Respectfully,

BETTY MURRAY, Chief Clerk  
House of Representatives

**SENATE BILLS AND RESOLUTION ON FIRST READING**

The following bills and resolution were introduced, read first time and referred to the Committee indicated:

**S.C.R. 4** by Brooks Jurisprudence  
Granting the City of Pasadena of Harris County together with parties in Cause No. 86-56701, El Jardin Property Owners Association v. Mary Louise Kennedy Weige, et al., permission to sue the State of Texas and the General Land Office.

**S.B. 37** by Henderson Intergovernmental Relations  
Relating to the designation of enterprise zones.

**S.B. 38** by Santiesteban Natural Resources  
Relating to notice to a purchaser of real property in a water district.

**S.B. 39** by Brooks Education  
Relating to tuition and fee payments at institutions of higher education.

**S.B. 40** by Brooks Education  
Relating to registration with the Board of Tax Professional Examiners of certain persons performing studies of school district property values.

**S.B. 41** by Brooks Education  
Relating to appraisal district and school district reports concerning taxable property values.

**S.B. 42** by Brooks Finance  
Relating to the creation of a special fund for forfeiture proceeds and to permitting the Texas Alcoholic Beverage Commission to use those proceeds for law enforcement purposes; making an appropriation.

**S.B. 43** by Brooks Natural Resources  
Relating to the promotion, regulation, and coordination of aquaculture and the fish farming industry; making appropriations.

**S.B. 44** by Brooks State Affairs  
Relating to ethics and accountability in state government and elections; to the composition, powers, and duties of the Texas Elections and Ethics Commission; to registration, reporting, and restrictions concerning expenditures made to influence legislation or administrative action; to personal financial statements filed by state officers and employees; and to the acceptance, use, and reporting of political contributions and expenditures; making an appropriation; providing penalties.

**S.B. 45** by Henderson Economic Development  
Relating to certain assessments imposed on insurance companies to cover costs of state examination.

**S.B. 46** by Barrientos Criminal Justice  
Relating to the imposition of court costs in certain criminal cases for the funding of the crime stoppers assistance account; making an appropriation.

**S.B. 47** by Barrientos Natural Resources  
Relating to the creation, administration, powers, duties, operation, and financing of the Williamson-Travis Counties Water Control and Improvement District No. 1.

**S.B. 48** by Barrientos Natural Resources  
Relating to the creation, administration, powers, duties, operation, and financing of the Glen Rose Water Control and Improvement District No. 1.

**S.B. 49** by Barrientos Finance  
Relating to exempting from ad valorem taxes property owned or leased by certain cooperative research and development organizations.

#### SENATE BILL 1 ON SECOND READING

On motion of Senator Parker and by unanimous consent, all necessary rules were suspended to take up for consideration at this time on its second reading and passage to engrossment:

**S.B. 1**, Relating to public education; making appropriations.

The bill was read second time.

Senator Ratliff offered the following amendment to the bill:

#### Floor Amendment No. 1

Amend **S.B. 1** as follows:

(1) Strike Article I of the bill and substitute the following:

#### ARTICLE I

SECTION 1.01. Section 16.002, Education Code, is amended to read as follows:

Sec. 16.002. PURPOSE OF FOUNDATION SCHOOL PROGRAM. (a) The purpose [purposes] of the Foundation School Program set forth in this chapter

is [are] to guarantee that each school district in the state has access to substantially equalized[-:

~~[(1) adequate] resources to provide each eligible student a comprehensive quality [basic] instructional program suitable to the student's educational needs[- and~~

~~[(2) access to a substantially equalized program of financing in excess of basic costs for certain services, as provided by this chapter].~~

(b) The Foundation School Program consists of three parts [two tiers to provide for the purposes specified by Subsection (a) of this section]. The first part (Part I) provides substantially equalized resources to each school district for classroom instruction [tier guarantees sufficient financing for all school districts to provide a basic program of education that meets accreditation and other legal standards]. The second part (Part F) provides substantially equalized resources to each school district for facilities. The third part (Part G) provides substantially equalized resources to each school district for general operating costs other than classroom instruction or facilities [tier provides a guaranteed yield system of financing to provide all school districts with substantially equal access to funds to provide an enriched program].

SECTION 1.02. Section 16.004, Education Code, is amended to read as follows:

Sec. 16.004. SCOPE OF PROGRAM. Under the Foundation School Program, a school district may receive state financial aid for facilities, capital outlay, equipment, personnel salaries, current operating expenses, categorical programs, and transportation services. The amount of state aid to each school district shall be based on the district's tax effort and ability to support its public schools.

SECTION 1.03. Section 16.101, Education Code, is amended to read as follows:

Sec. 16.101. TARGET EXPENDITURE ~~[BASIC ALLOTMENT]~~. (a) For each student in weighted average daily attendance, as defined under Section 16.302 of this code [not including the time students spend each day in special education or vocational education programs for which an additional allotment is made under Subchapter D of this chapter], a district is entitled to an amount under the Foundation School Program sufficient to allow it to reach the target expenditure level set in this section at the total target tax rate set in Section 16.252 of this code. References to "allotments" are references to a number of students counted in addition to regular average daily attendance for purposes of computing weighted average daily attendance.

(b) The target expenditure shall reflect the amount derived in the accountable cost study authorized by this chapter and shall be consistent with the total level of appropriations for the Foundation School Program.

(c) Notwithstanding any other provision of this section, for the school years 1990-1991 through 1994-1995, the target expenditures are computed in accordance with this subsection. The following formulas shall be used to compute the target expenditures per student in weighted average daily attendance:

$$TEI = (A \times ADA \times 0.58) / AWADA$$

$$TEF = (A \times ADA \times 0.12) / AWADA$$

$$TEG = (A \times ADA \times 0.30) / AWADA$$

$$TE = TEI + TEF + TEG \text{ where:}$$

"TEI" is the target expenditure for "Part I—Instruction" per weighted average daily attendance;

"TEF" is the target expenditure for "Part F—Facilities" per weighted average daily attendance;

"TEG" is the target expenditure for "Part G—General Operations" per weighted average daily attendance;

"TE" is the total target expenditure and is the sum of target expenditures for Parts I, F, and G;

"A" is the amount set out below for each school year, less the sum of that year's per capita amount distributed from the available school fund, the career ladder amount per average daily attendance set under Section 16.158 of this code, and an amount equal to the quotient of statewide transportation costs computed under Section 16.156 divided by the statewide average daily attendance:

- (1) for the 1990-1991 school year, \$3,600;
- (2) for the 1991-1992 school year, \$3,850;
- (3) for the 1992-1993 school year, \$4,100;
- (4) for the 1993-1994 school year, \$4,350;
- (5) for the 1994-1995 school year, \$4,600;

"ADA" is the statewide average daily attendance as determined under Section 16.006 of this code; and

"AWADA" is the state total of students in weighted average daily attendance after calculating additional allotments under Subchapters C and D of this chapter, other than the career ladder and transportation allotments.

(d) This subsection and Subsection (c) of this section expire September 1, 1995 [allotment of \$1,477 for the 1989-1990 school year and \$1,500 for each school year thereafter, or a greater amount provided by appropriation].

SECTION 1.04. Section 16.151(a), Education Code, is amended to read as follows:

(a) For each full-time equivalent student in average daily attendance for whom a district provides an extended year program under Subchapter N, Chapter 21, of this code, the district is entitled to 75 percent of the annual allotment that is computed by prorating each target expenditure ~~[the adjusted basic allotment]~~ for the period of the extended year program and multiplying the prorated amount by the ~~allotment~~ amount designated for the student's instructional arrangement under Section 16.151 of this code.

SECTION 1.05. Section 16.156(c), Education Code, is amended to read as follows:

(c) Each district or county operating a regular transportation system is entitled to an allotment based on the ~~[daily]~~ cost per regular eligible pupil of operating and maintaining the regular transportation system and the linear density of that system. In determining the cost, the commissioner shall give consideration to factors affecting the actual cost of providing these transportation services in each district or county. Subject to the limitations of this section, the allotment shall be equal to the district's cost divided by the target expenditure amount set for that year under Section 16.101 of this code. The average actual cost is to be computed by the commissioner of education and included for consideration by the Foundation School Program Committee and the legislature in the General Appropriations Act. The allotment per mile of approved route may not exceed the amount set by appropriation.

SECTION 1.06. Section 16.158(a), Education Code, is amended to read as follows:

(a) Each district is entitled to an allotment for support of the career ladder equal to its unadjusted average daily attendance multiplied by \$90 and divided by the target expenditure amount set for that year under Section 16.101 of this code.

SECTION 1.07. Section 16.251(a), Education Code, is amended to read as follows:

(a) The sum of the ~~[basic allotment under Subchapter C, the special allotments under Subchapter D, and the]~~ guaranteed yields ~~[yield allotments]~~ under Subchapter H, computed in accordance with the provisions of this chapter, constitutes ~~[constitute]~~ the total cost of the Foundation School Program.

SECTION 1.08. Section 16.252, Education Code, is amended to read as follows:

Sec. 16.252. [LOCAL SHARE OF] PROGRAM COST; GUARANTEED YIELD TARGET TAX RATE. (a) The commissioner of education shall compute for each year the total cost of quality education [Each school district's share of its Foundation School Program shall be an amount determined] by the following formula:

$$TC - TE \times TSWADA [LFA - TR \times DPV]$$

where:

"TC" is the total cost of quality education;

"TE" is the target expenditure per student in weighted average daily attendance set under Section 16.101 of this code; and

"TSWADA" is the state total number of students in weighted average daily attendance after calculating additional allotments under Subchapters C and D of this chapter.

(b) The commissioner of education shall compute before each school year a total target tax rate that, if applied to taxable value of property in all school districts throughout the state, would raise an amount equal to a percentage set by appropriation of the total cost of quality education for the current year. For the 1990-1991 through 1994-1995 school years, the total target tax rate shall be:

(1) for the 1990-1991 school year, \$0.85;

(2) for the 1991-1992 school year, \$0.91;

(3) for the 1992-1993 school year, \$0.97;

(4) for the 1993-1994 school year, \$1.03; and

(5) for the 1994-1995 school year, \$1.09.

(c) The target tax rate for each part of the Foundation School Program shall be:

$$TTRI - TTTR \times 0.58$$

$$TTRF - TTTR \times 0.12$$

$$TTRG - TTTR \times 0.30$$

where:

"TTTR" is the total target tax rate;

"TTRI" is the target tax rate for instruction;

"TTRF" is the target tax rate for facilities; and

"TTRG" is the target tax rate for general operations [“LFA” is the district's local share;

“TR” is a tax rate computed by the commissioner of education before each school year that will raise a total local share, prior to adjustments, equal to 33.3 percent of the current year Foundation School Program estimated costs under Subchapters C and D of this chapter other than the adjustments made under Sections 16.102(d) and 16.103(d) of this code; and

“DPV” is the taxable value of property in the district for the prior tax year determined under Section 11.86 of this code.

(b) The commissioner of education shall adjust the values reported in the official report of the State Property Tax Board to reflect reductions in taxable value of property resulting from natural or economic disaster after January 1 in the year in which the valuations are determined. The decision of the commissioner of education shall be final. An adjustment does not affect the local fund assignment of any other district.

(c) Appeals of district values shall be held pursuant to Subsection (e) of Section 11.86 of this code.

(d) A district shall raise its total local share of its program cost in order to qualify for aid from the foundation school fund.

(e) The commissioner of education shall hear appeals from local school districts which have experienced a rapid decline in tax base used in calculating the

local fund assignment, exceeding eight percent of prior year, that is beyond the control of the local board of trustees. The commissioner of education may adjust the local school district's taxable values for local fund assignment purposes for such losses in value exceeding eight percent and thereby adjust the local fund assignment to reflect the local current year taxable value. The decision of the commissioner of education shall be final. An adjustment does not affect the local fund assignment of any other district].

SECTION 1.09. Section 16.253, Education Code, is amended to read as follows:

Sec. 16.253. USE [EXCESS] OF LOCAL FUNDS [OVER AMOUNT ASSIGNED]. Except as otherwise required by law or regulation, local [Local] maintenance funds [in excess of the amount assigned to a district] may be expended for any lawful school purpose or carried over to the next school year.

SECTION 1.10. Section 16.254, Education Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (f) to read as follows:

(a) The commissioner of education shall determine annually:

(1) the amount of money to which [necessary to operate a Foundation School Program in] each school district is entitled for Parts I, F, and G of the Foundation School Program;

(2) any reduction in foundation school funds to which the district is subject under Subsection (d) of this section [the amount of local funds assigned to each school district for the support of the program]; and

(3) the amount of state available school funds distributed to each school district.

(b) The commissioner of education shall then grant to each school district from the Foundation School Program appropriation the amount of funds necessary to provide the sum of Subdivisions [difference between Subdivision] (1) and [the sum of Subdivisions] (2) [and (3)] of Subsection (a) of this section.

(d) Notwithstanding any other provision of this chapter, if for any year the total state's share of the Foundation School Program, [including enrichment equalization allotments,] as determined under this chapter, exceeds the total amount appropriated for that year, the commissioner shall reduce the total amount of state funds allocated to each district by an amount determined by a formula adopted by the State Board of Education. In adopting the formula, the board shall consider each district's taxable property value, each district's effective tax rate, the amount of delinquent taxes as a percent of the district's total tax levy, and other factors that the board considers appropriate.

(f) Any school district that receives funds from the Foundation School Program on the basis of average daily attendance or weighted average daily attendance under either tier of the Foundation School Program as it exists on the day before the effective date of this subsection and that does not levy an ad valorem tax for the support of its schools shall receive an amount per weighted average daily attendance equal to the statewide average amount per weighted average daily attendance in Foundation School Program funds. This subsection does not apply to a school district that receives only an allocation of the Available School Fund under Section 30.83 of this code. This subsection does apply to a school district covered by Chapter 29 of this code.

SECTION 1.11. Section 16.256(b), Education Code, is amended to read as follows:

(b) On or before November 1 before each regular session of the legislature, the budget committee shall determine and certify to the comptroller of public accounts an amount of money to be placed in the foundation school fund for the succeeding biennium for the purpose of financing the Foundation School Program as described in this code. The comptroller shall deposit in the foundation school fund from any

sources dedicated to that fund and, as necessary, from the general revenue fund under Section 403.093(d), Government Code, an amount equal to the amount certified by the budget committee. The funds deposited may not be appropriated or used for any purpose other than financing the Foundation School Program except by a four-fifths vote of each house of the legislature. The funds deposited shall remain in the foundation school fund until appropriated to finance the Foundation School Program, unless temporarily transferred under Section 403.092, Government Code.

SECTION 1.12. Section 16.301, Education Code, is amended to read as follows:

Sec. 16.301. PURPOSE. The purpose of the [guaranteed yield component of the] Foundation School Program is to provide each district with substantially equal access to the funds necessary for a comprehensive quality education. Unless otherwise restricted by law, the state guaranteed yield funds and the local funds that compose the target expenditure for each part of the Foundation School Program may be used for only the following purposes:

(1) the target expenditure for instruction shall be used for salaries of classroom teachers, salaries of teachers' aides, salaries of librarians, and materials used directly in classroom instruction;

(2) the target expenditure for facilities shall be used for the purchase of, construction of, improvements to, or payment of debt service on buildings or other real property predominantly used for classroom teaching or for the business management of the school district, or that are required by state law, and may not be used for a building or other improvement to real property that is used predominantly for extracurricular activities or for the payment of debt service on such properties; and

(3) the target expenditure for general operations may be used for any legal purpose, including those purposes described in Subdivisions (1) and (2) of this section [the opportunity to supplement the basic program at a level of its own choice. An allotment under this subchapter may be used for any legal purpose, including capital outlay and debt service].

SECTION 1.13. Section 16.302, Education Code, is amended to read as follows:

Sec. 16.302. GUARANTEED YIELD AMOUNT [ALLOTMENT]. (a) A school district shall designate its tax rate in three parts corresponding to the three parts of the Foundation School Program. For each part of the Foundation School Program, a district's yield under that part shall bear the same proportion to the maximum yield available under that part as its tax rate designated for that part bears to the target tax rate computed for the same part under Section 16.252(b) of this code [Each district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the local fund assignment up to the maximum level specified in this subchapter]. The amount of state support for each part, subject to Section 16.303 of this code, is determined as follows [by the formula]:

$$GYAI = [(TEI \times WADA) - (TTRI \times DPV/100)] \times (DTRI/TTRI)$$

$$GYAF = [(TEF \times WADA) - (TTRF \times DPV/100)] \times (DTRF/TTRF)$$

$$GYAG = [(TEG \times WADA) - (TTRG \times DPV/100)] \times (DTRG/TTRG)$$

$$[GYA = (GL \times WADA \times DTR \times 100) - LR]$$

where:

"GYAI" is the guaranteed yield amount of state funds to be allocated to the district for instruction;

"GYAF" is the guaranteed yield amount of state funds to be allocated to the district for facilities;

"GYAG" is the guaranteed yield amount of state funds to be allocated to the district for general operations;



"TEI" is the target expenditure for "Part I-Instruction" per WADA;

"TEF" is the target expenditure for "Part F-Facilities" per WADA;

"TEG" is the target expenditure for "Part G-General operations" per WADA

["GYA" is the guaranteed yield amount of state funds to be allocated to the district;

["GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is \$18.25 or a greater amount provided by appropriation];

"WADA" is the number of [weighted] students in weighted average daily attendance after calculating[, which is calculated by dividing the sum of] the district's allotments under Subchapters C and D of this chapter[, less any allotments to the district for transportation or for career ladder supplements and 50 percent of the adjustments under Sections 16.102 and 16.103 of this code, by the basic allotment for the applicable year];

"TTRI" is the target tax rate for instruction set in Section 16.252 of this code;

"TTRF" is the target tax rate for facilities set in Section 16.252 of this code;

"TTRG" is the target tax rate for general operations set in Section 16.252 of this code;

"DPV" is the district's current year taxable property value determined under Section 11.86 of this code;

"DTRI" is the district's tax rate designated for instruction;

"DTRF" is the district's tax rate designated for facilities;

"DTRG" is the district's tax rate designated for general operations

["DTR" is the district enrichment tax rate of the district, which is determined by subtracting the local fund assignment of the district from the amount of taxes collected by the district for the applicable school year and dividing the result by the quotient of the district's taxable value of property (DPV) under Section 16.252 of this code divided by 100; and

["LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property (DPV) under Section 16.252 of this code divided by 100].

(b) The commissioner of education shall hear appeals from local school districts that have experienced a rapid decline in the tax base used in calculating the guaranteed yield, exceeding eight percent of prior year value, that is beyond the control of the local board of trustees. The commissioner of education may adjust the local school district's taxable values for guaranteed yield purposes for such losses in value and thereby adjust the guaranteed yield to reflect the local current year taxable value. The decision of the commissioner of education is final. An adjustment does not affect the guaranteed yield amount of any other district.

(c) Appeals of district values shall be held as provided by Section 11.86(e) of this code.

SECTION 1.14. Section 16.303, Education Code, is amended to read as follows:

Sec. 16.303. LIMITATION ON GUARANTEED YIELD AMOUNT [ENRICHMENT TAX RATE]. (a) If the quotient of the district tax rate for any part of the Foundation School Fund divided by the target tax rate for that same part under Section 16.302 of this code is greater than one, the value of one is used to compute the amount of state funds to which a district is entitled for that part [The district enrichment tax rate ("DTR") under Section 16.302 of this code may not exceed \$0.36 or a greater amount for any of those school years provided by appropriation].

(b) If the formula under Section 16.302 of this code results in zero or a negative number for any part of the Foundation School Program, the district receives no state support under this subchapter for that part. However, nothing in this chapter shall

be construed to limit or deny the per capita distribution of funds from the available school fund unless an appropriate constitutional amendment is adopted so providing [For the 1989-1990 school year, a district may not receive less per student in guaranteed yield state funds than the amount of state funds received under the enrichment equalization allotment in the 1988-1989 school year].

SECTION 1.15. Section 21.136(e), Education Code, is amended to read as follows:

(e) For the [1989-1990 and] 1990-1991 school year [years] the cost of the program is shared by the state and district. The local share is 33.3 percent [in the same percentages used to determine the state/local shares under Chapter 16 of this code]. The state's share is paid from the foundation school fund and may not exceed \$55 million a year. If that amount will not fully fund the program, the commissioner shall proportionately reduce each district's allocations.

SECTION 1.16. Chapter 15, Education Code, is amended by designating Sections 15.01 through 15.15 as a subchapter entitled as follows:

**SUBCHAPTER A. PERMANENT SCHOOL FUND**

SECTION 1.17. Chapter 15, Education Code, is amended by adding Subchapter B to read as follows:

**SUBCHAPTER B. ADDITIONAL STATE FACILITIES ASSISTANCE**

Sec. 15.51. **DEFINITIONS.** In this subchapter:

(1) "Assistance" means a loan, grant, or a combination of a loan and a grant made under this subchapter to a qualifying district for the purpose of acquiring, constructing, renovating, or improving facilities.

(2) "Board" means the bond review board created under Chapter 1078, Acts of the 70th Legislature, Regular Session, 1987 (Article 717k-7, Vernon's Texas Civil Statutes).

(3) "Facilities" means buildings or other improvements to real property or permanent fixtures that are predominantly used for classroom teaching or are required by state law. The term does not include a building or other improvement to real property that is used predominantly for extracurricular activities.

(4) "Qualifying district" means a school district that qualifies for financial assistance under this subchapter.

Sec. 15.52. **SCHOOL FACILITIES ASSISTANCE PROGRAM.** (a) The board shall administer state facilities assistance funded by general obligation bonds in accordance with this subchapter. The legislature may appropriate additional funds for the purposes of this subchapter.

(b) Any school district in the state may apply for assistance in the manner provided by board rule. The board shall prescribe appropriate forms for the application.

(c) The board may combine grants and loans in an assistance package for a qualifying school district and may condition assistance granted in any manner it considers appropriate, including requiring local funding for part of a project. The board may combine assistance under this subchapter with aid under the Public School Facilities Funding Act (Article 717t, Vernon's Texas Civil Statutes).

Sec. 15.53. **USE OF SCHOOL FACILITIES ASSISTANCE FUNDS.** (a) Assistance received under this subchapter may be used only for the acquisition, construction, renovation, and improvement of instructional facilities. Except to the extent directly related to the acquisition, construction, renovation, or improvement of instructional facilities, the assistance may not be used to pay the general administrative expenses of any school district, nor to pay any part of the salary or benefits of an official or employee of any school district receiving assistance under this subchapter.

(b) The Central Education Agency shall monitor the use of assistance provided under this subchapter. The board may require periodic reports on the use of the

assistance and the progress made in the proposed acquisition, construction, renovation, or improvement.

Sec. 15.54. ELIGIBILITY FOR ASSISTANCE. (a) The board shall adopt rules regarding qualification for assistance. Among other conditions, the board may consider in adopting rules and awarding assistance whether a school district:

(1) has been cited by the Central Education Agency in its most recent accreditation report as having inadequate facilities;

(2) has failed to meet a teacher-to-student ratio required by law during its most recent accreditation period even if it requested and obtained a waiver of the requirement;

(3) has experienced a rapid growth in the number of students in average daily attendance or is projected to experience rapid growth over the next five-year period;

(4) has over the past five years increased the tax burden placed on property located in the district at a greater rate than the state average or the average of surrounding districts;

(5) has a local debt service tax greater than the state average for school districts or greater than the average of surrounding districts;

(6) has a property wealth per student ratio inadequate to meet the demands for adequate funds for a quality general education program and for its bonded debt obligations; and

(7) meets any other conditions that the board believes should qualify a district for assistance under the terms of this subchapter.

(b) A school district that qualifies for assistance under this subchapter at the time it submitted an application to the board continues to qualify for assistance until the application is acted upon and may receive assistance as awarded by the board but may not receive additional assistance for any year in which it does not or would not qualify.

Sec. 15.55. BOND ISSUANCE. (a) The board may by resolution provide for the issuance of no more than \$200 million in general obligation bonds by the state treasurer for the purposes of this subchapter. Bonds that are or have been refunded or retired do not count against the limit imposed on outstanding bonds. The board may specify a principal amount and a date of delivery of the proceeds of bonds issued under this subchapter.

(b) The board may authorize the issuance of general obligation bonds to refund bonds issued under this subchapter.

(c) The bonds issued under this subchapter must be authorized by resolution of the board and approved in the same manner as other bonds issued by the state. The state treasurer shall issue bonds authorized and approved by the board. Bonds issued under this subchapter shall have the form and bear the designations as directed by the board resolution.

(d) All proceedings relating to the issuance of bonds pursuant to this subchapter shall be submitted to the attorney general for examination. If the attorney general finds that the proceedings have been authorized in accordance with law, the proceedings authorizing the bonds issued pursuant to this subchapter shall be approved, and the bonds shall be issued by the state treasurer and registered by the comptroller of public accounts in a manner consistent with Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes). After approval and registration, the bonds and proceedings relating thereto are incontestable in any court or other forum for any reason and are valid and binding obligations in accordance with their terms for all purposes.

(e) The proceeds received from the sale of bonds pursuant to this subchapter may be invested in any manner and in any obligations or securities as specified in the resolution authorizing them or in any supplemental resolutions of the board.

(f) In addition to the powers granted by this subchapter, the state treasurer may exercise the rights and powers granted to the Texas Housing Agency as provided for by the Texas Housing Agency Act (Article 1269I-6, Vernon's Texas Civil Statutes) in connection with the issuance and administration of bonds. Further, in connection with the issuance and administration of bonds, the state treasurer may exercise the rights and powers granted to an issuer under Chapter 503, Acts of the 54th Legislature, Regular Session, 1955 (Article 717k, Vernon's Texas Civil Statutes), the Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes), and Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717g, Vernon's Texas Civil Statutes).

Sec. 15.56. FORM OF ASSISTANCE. (a) The board may provide assistance to a qualifying district by loan, grant, or a combination of a loan and a grant. Assistance may be made for the purpose of refunding or discharging current outstanding obligations of a qualifying district if that current outstanding obligation or the portion refunded or discharged was used in a manner that would qualify for assistance under this subchapter and application is made and approved in the same manner as provided for other assistance under this subchapter. Any loan made under this subchapter must be approved by the voters of a qualifying district in the same manner as the issuance of bonds by that district or must be counted against authorized but unissued bonding authority.

(b) The board may establish by rule formulae that provide for assistance for the acquisition, construction, renovation, and improvement of facilities. The board shall consider the type of facility acquisition, construction, renovation, or improvement requested, the use to which the facility or improvement would be put, and the needs of the district applying. The board may provide by rule for different classes of facilities or improvements and establish different criteria for awarding assistance to each class.

(c) The board may condition assistance to a qualifying district upon that district providing funds for the acquisition, construction, renovation, or improvement applied for in an amount set by the board.

(d) The board shall require that any assistance provided and any independent funds required by the board to be provided by the qualifying district be spent exclusively on the project for which the assistance was originally awarded. The board may by rule provide for a procedure by which a qualifying district may apply for permission to use the assistance provided and any required independent funds for a different purpose. The board may grant such permission if it finds that the alternative use proposed would have qualified for at least the same amount and type of assistance.

(e) The board may by rule set limits on the amount of assistance that any single qualifying district may receive in a specified number of years in a manner calculated to ensure that all qualifying districts are able to be considered for assistance.

Sec. 15.57. REPAYMENT. The board or the state treasurer shall provide each loan recipient with a written payment schedule. If a school district is more than 15 days delinquent in any repayment due under this subchapter, the treasurer shall certify that fact to the board and to the commissioner of education and shall notify the local district in writing by certified mail. The commissioner of education shall deduct the total amount due, including interest and any applicable late payment charges as of the date of certification, from the foundation school fund payment next due to that school district, including any allocations to that district under Chapter 16 of this code. The commissioner shall credit the full amount of a foundation school fund entitlement to a school district prior to making the deduction. The amount of such a deduction shall then be paid to the board on behalf of the district. If the board determines that a deduction or any part thereof was made erroneously, it may authorize payment of that amount directly to a district against which a deduction was made.

SECTION 1.18. Sections 1.16 and 1.17 of this Act are expressly conditioned upon adoption of S.J.R. 1, Acts of the 71st Legislature, 4th Called Session, 1990, or a similar amendment to the Texas Constitution authorizing the issuance of general obligation bonds for the purpose of assisting school districts in the acquisition, construction, renovation, and improvement of instructional facilities. The proceeds of any bonds authorized by law and issued pursuant to Subchapter B, Chapter 15, Education Code, as added by this Act, are appropriated to the bond review board for the purposes of that subchapter. For the biennium ending August 31, 1991, there is appropriated from the general revenue fund an amount sufficient to pay interest and principal on bonds issued under Subchapter B, Chapter 15, Education Code, as they become due.

SECTION 1.19. The sum of \$600 million, in addition to any funds appropriated by Chapter 1263, Acts of the 71st Legislature, Regular Session, 1989, is appropriated to the Central Education Agency for the purpose of funding the Foundation School Program.

SECTION 1.20. Section 16.155, Education Code, is amended to read as follows:

Sec. 16.155. VOCATIONAL EDUCATION ALLOTMENT. (a) For each full-time equivalent student in average daily attendance in an approved vocational education program in grades nine through 12, a district is entitled to an annual allotment for the ~~[1989-1990 and]~~ 1990-1991 school year [years] equal to the adjusted basic allotment multiplied by a weight of 1.35 ~~[1.45]~~.

(b) For each full-time equivalent student in average daily attendance in an approved vocational education program under Section 21.112 of this code, a district is entitled to an annual allotment, beginning with the 1991-1992 school year, equal to the adjusted basic allotment multiplied by a weight established by the commissioner of education ~~[State Board of Education]~~ according to program component. Each weight established by the commissioner ~~[board]~~ must correlate to the costs per student of the program component. The average weight established by the commissioner ~~[board]~~ under this section for all program components in all districts may not exceed 1.30 for the 1991-1992 school year and 1.25 for each school year thereafter ~~[the greater of 1.45]~~ or a greater weight provided by appropriation for any of those years. The components for which the commissioner ~~[board]~~ shall establish weights are general vocational education, pre-employment laboratory, education for special needs students, and master plan initiatives. The commissioner ~~[board]~~ shall adopt the system not later than 30 days before the first day of each regular session of the legislature.

(c) The legislature by general law may adopt the weights adopted by the commissioner ~~[State Board of Education]~~ for any biennium. If the weights are not adopted, the weight contained in Subsection (a) of this section shall be utilized for the determination of vocational education allotments.

(d) In this section, "full-time equivalent student" means 30 hours of contact a week between a student and vocational education program personnel.

(e) Funds allocated under this section, other than an indirect cost allotment established under rules of the commissioner ~~[State Board of Education rule]~~, must be used in providing vocational education programs in grades nine through 12 under the provisions of Sections 21.111, 21.1111, and 21.112 of this code.

(f) The indirect cost allotment established under [board] rules of the commissioner shall first be effective for the 1991-1992 school year consistent with the weight effective that year.

(g) The commissioner shall conduct a cost-benefit evaluation of the benefit of the vocational education program as opposed to public education in mathematics and science.

SECTION 1.21. Section 403.093(d), Government Code, is amended to read as follows:

(d) The comptroller shall transfer from the general revenue fund to the foundation school fund an amount of money necessary to fund the foundation school program as provided by Section 16.256 ~~[Chapter 16]~~, Education Code. The comptroller shall make the transfers in installments as necessary to comply with Section 16.260, Education Code. An installment must be made not earlier than two days before the date an installment to school districts is required by Section 16.260, Education Code ~~[-and must not exceed the amount necessary for that payment].~~

SECTION 1.22. Sections 16.102(d) and 16.103(d), Education Code, are repealed.

(2) Strike Section 6.01 in its entirety.

The amendment was read.

On motion of Senator Parker, Floor Amendment No. 1 was tabled by the following vote: Yeas 22, Nays 8.

Yeas: Barrientos, Brooks, Caperton, Carriker, Dickson, Edwards, Ellis, Glasgow, Green, Haley, Henderson, Johnson, Krier, Lyon, Montford, Parker, Santiesteban, Tejada, Truan, Uribe, Whitmire, Zaffirini.

Nays: Armbrister, Bivins, Brown, Harris, Leedom, McFarland, Ratliff, Sims.

Absent-excused: Parmer.

Question—Shall the bill be passed to engrossment?

#### MESSAGE FROM THE HOUSE

House Chamber  
April 3, 1990

HONORABLE W. P. HOBBY  
PRESIDENT OF THE SENATE

SIR: I am directed by the House to inform the Senate that the House has passed the following:

**H.C.R. 14**, Granting the House and Senate permission to adjourn for more than three days.

Respectfully,

BETTY MURRAY, Chief Clerk  
House of Representatives

#### CAPITOL PHYSICIAN

Senator Sims was recognized and presented Dr. Raymond Smith of Fredericksburg.

The Senate welcomed Dr. Smith, a participant in the "Capitol Physician" program sponsored by the Texas Academy of Family Physicians, and expressed appreciation for his contributions today.

#### SENATE BILL 1 ON SECOND READING

The Senate resumed consideration of **S.B. 1** on its second reading and passage to engrossment.

Question—Shall the bill be passed to engrossment?

Senator Ratliff offered the following amendment to the bill:

**Floor Amendment No. 2****Amend S.B. 1:**

1. In Section 3.20, p. 64, line 14, by striking the sentence beginning "The retirement system . . ." and inserting in its place the following:

"The commissioner, after consulting with the Legislative Education Board, shall implement a state health insurance plan for teachers beginning September 1, 1991. The state shall contribute to the plan an amount not less than \$90 multiplied by the number of students in average daily attendance in the state."

2. In Section 3.22(1), p. 65, line 1 by inserting before "Subsection" the following: "Subchapter E of Chapter 13, Sections 16.057 and 16.158, and"

The amendment was read.

On motion of Senator Parker, Floor Amendment No. 2 was tabled by the following vote: Yeas 22, Nays 8.

Yeas: Armbrister, Barrientos, Brooks, Caperton, Carriker, Dickson, Edwards, Ellis, Glasgow, Green, Haley, Johnson, Krier, McFarland, Montford, Parker, Santiesteban, Tejada, Truan, Uribe, Whitmire, Zaffirini.

Nays: Bivins, Brown, Harris, Henderson, Leedom, Lyon, Ratliff, Sims.

Absent-excused: Parmer.

The bill was passed to engrossment viva voce vote.

**RECORD OF VOTES**

Senators Bivins, Brown, Edwards, Henderson, Leedom, McFarland and Ratliff asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

**SENATE BILL 1 ON THIRD READING**

Senator Parker moved that the Constitutional Rule and Senate Rule 7.19 requiring bills to be read on three several days be suspended and that S.B. 1 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Barrientos, Brooks, Brown, Caperton, Carriker, Dickson, Edwards, Ellis, Glasgow, Green, Haley, Harris, Henderson, Johnson, Krier, Leedom, Lyon, McFarland, Montford, Parker, Ratliff, Santiesteban, Sims, Tejada, Truan, Uribe, Whitmire, Zaffirini.

Nays: Armbrister, Bivins.

Absent-excused: Parmer.

The bill was read third time and was passed viva voce vote.

**RECORD OF VOTES**

Senators Armbrister, Bivins, Brown, Edwards, Harris, Henderson, Leedom, McFarland, Ratliff and Sims asked to be recorded as voting "Nay" on the final passage of the bill.

**HOUSE CONCURRENT RESOLUTION 14**

The President laid before the Senate the following resolution:

**H.C.R. 14**, Granting the House and the Senate permission to adjourn for more than three days during period beginning on April 3, 1990, and ending on April 17, 1990.

The resolution was read.

On motion of Senator Brooks and by unanimous consent, the resolution was considered immediately and was adopted viva voce vote.

#### CONGRATULATORY RESOLUTIONS

**H.C.R. 10** - (Tejeda, Krier, Zaffirini): Honoring Theo Wickersham of Universal City for her involvement in community affairs and her lifelong participation in national, state, and local politics.

**S.R. 7** - By Glasgow: Extending congratulations to Bessie T. Martin of Stephenville on her 90th birthday.

**S.R. 8** - By Barrientos: Recognizing the Work Force Diversity Department of Motorola's Personnel Office and the Hispanic Women's Network of Texas, Austin Chapter, for cosponsoring a special celebration to observe Cinco de Mayo.

**S.R. 9** - By Truan: Commending the Port Aransas Independent School District for its involvement in "Oceans Week."

**S.R. 11** - By Ellis: Honoring the Martin Luther King, Jr., Community Center of Houston on the occasion of its 22nd anniversary and commending all those associated with the center for their hard work.

#### RECESS

On motion of Senator Brooks, the Senate at 10:56 a.m. took recess until 3:00 p.m. Monday, April 9, 1990.

#### SECOND DAY

(Continued)

(Monday, April 9, 1990)

#### AFTER RECESS

The Senate met at 3:00 p.m. and was called to order by Senator Brooks.

#### MESSAGE FROM THE HOUSE

House Chamber  
April 9, 1990

HONORABLE W. P. HOBBY  
PRESIDENT OF THE SENATE

SIR: I am directed by the House to inform the Senate that the House has passed the following:

**H.C.R. 25**, Honoring Representative Jerry Beauchamp on his birthday.

Respectfully,

BETTY MURRAY, Chief Clerk  
House of Representatives